

WARWICKSHIRE COUNTY COUNCIL

RISK MANAGEMENT POLICY

1. Introduction

Risk management is an integral part of good management and governance and therefore is at the heart of what we do. It is essential to the Council's ability to deliver public services and partnerships, as a custodian of public funds, a significant employer and a major component part of the local community.

Each of our stakeholders has an interest in the Council's ability to deliver its Corporate Business Plan and will expect us to understand risk and manage it effectively. A mature risk management policy can only strengthen their confidence in our ability to deliver what we say we will.

If we fail to achieve this it could result in unbudgeted financial loss, additional time taken to respond to issues and damage to the Council's reputation. It is also necessary to secure compliance with the Comprehensive Performance Assessment criteria.

Accordingly, the Council is committed to the introduction and implementation of a risk management framework to embed risk management within its culture and practices. The framework will determine the context of risk management, resource, tools, processes and supporting documentation and the training and communication required.

The risk management framework will meet the standards outlined in the Risk Management Standard which has been produced by the major risk management organisations in the UK – The Institute of Risk Management (IRM), the Association of Insurance and Risk Managers (AIRMIC) and The National Forum for Risk Management in the Public Sector (ALARM).

2. Scope

This policy sets out the Council's aims and objectives for the management of risk across the Council, within its Partnerships and by its suppliers.

It forms a key part of the Council's internal control and governance arrangements.

3. Policy Statement

The aim of this policy is to improve the Council's ability to deliver its strategic priorities by managing threats and enhancing opportunities and creating an environment that adds value to ongoing operational activities.

Risk is defined as the combination of the probability of an event and its consequences taken from the IRM/AIRMIC/ALARM standard. This promotes risk as uncertainty in the achievement of a certain outcome from which there

is the potential for the consequences to be positive (opportunities) or negative (threats).

Risk management is a term used to describe a particular approach to understanding risk and the threats and opportunities that flow from uncertainty. It is defined as the process of planning, organising, leading and overseeing the activities of the Council to effectively manage risk and the potential opportunity and threats. This is not new and simply the formalisation of what is part of normal good working practices.

To achieve its aims the Council will:

- Ensure that an effective risk management framework is in place that supports good governance and performance management
- Consider risk as an integral part of corporate and service planning, service delivery, Partnerships and projects and all other activities
- Identify and assess risks to objectives and understand how such risks influence performance
- Encourage considered and responsible risk taking as a legitimate response to managing threats and opportunities
- Support the risk management framework with an appropriate organisational structure and ensure that associated responsibilities are clearly defined and communicated at all levels
- Ensure that risk information is communicated effectively through a clear reporting structure and process
- Integrate risk management with its culture and practices
- Engender, reinforce and replicate risk management best practice

4. Benefits

The Council's approach to introducing and implementing a risk management framework will provide the following benefits:

- a consistent understanding and approach to managing risk
- the achievement of better outcomes through a more realistic assessment of the challenges faced and risk action planning
- informed decision making
- intelligent risk taking
- the promotion of an open and honest culture
- improvement of partnership working arrangements and corporate governance

5. Roles & Responsibilities

The responsibility for managing risk is not restricted to any one person or group and is the responsibility of every Councillor and member of staff. Risk will be managed at different levels within the organisation in accordance with the Council's "golden thread".

The key responsibilities for managing risk are:

Council	overall responsibility for risk management
Cabinet & SDMT	overseeing and monitoring the implementation of risk management
Portfolio Holder & Strategic Director, Performance and Development	member champion and corporate champion promoting risk management across the Council and within its Partnerships
Audit & Standards Committee	providing assurance to the Council on the effectiveness of the risk management framework and implementation
Corporate Risk Management Group	promoting, steering and monitoring risk management
Strategic Directors	accountability for the effective implementation of risk management within their Directorates and directing appropriate resource
Directorate Risk Champions	promoting and facilitating implementation within their Directorates
Service/Project Managers	accountability for the effective management of risk within their areas of responsibility
Employees	an awareness and understanding of risk management

6. Guidance on the Operation of this Policy

The Council's risk management strategy on how this policy will be achieved and guidelines on how it will be implemented are documented separately and should be read in conjunction with this policy.

The Strategic Risk Manager will provide the necessary advice, guidance and training to the Council in order to implement this policy.