CHESHIRE EAST BOROUGH COUNCIL

RISK MANAGEMENT STRATEGY

1.0   Purpose

The purpose of this strategy is to clearly outline the Council's commitment to risk management, describe the objectives of risk management and provide a framework for embedding risk management across the organization, with defined roles and responsibilities and a structured process.

The strategy does not contain detailed methodologies and processes as these will be developed by the Corporate Risk Management group and will be adaptable as the authority develops.

2.0   Commitment to Risk Management

2.1   Risk Management is one of the principal elements of Corporate Governance and a key contributor to ensuring a sound internal control environment. Through the implementation and embedding of an effective Risk Management framework, Cheshire East Borough Council will ensure that it is better placed to manage its performance, achieve its corporate objectives and provide an enhanced level of service to the community.

2.2   The Council will develop and maintain a systematic framework and process for managing strategic, operational, programme, project and partnership risks and review this framework annually. This will include assessing risks for likelihood and impact, identifying and allocating responsibility for their mitigation, and receiving assurances about the management of these risks.

2.3   The key benefits of an effective framework and a strong risk management culture throughout the organisation are:

- A consistent focus on what needs to be done to achieve our objectives
- Enhanced partnership working to identify, manage and mitigate the risks facing the community
- Improvements in meeting the needs of the community, minimising complaints and achieving improvements in service delivery
- Support the use of innovative approaches to improving outcomes and better value for public money
- Better management of change programmes

- Greater control of insurance costs
- Protect and enhance the reputation of the Council
- Anticipate and respond to changing social, environmental and legislative requirements

2.4 Cheshire East is committed to genuinely embedding risk management and all Members, employees, service providers, partners and stakeholders are encouraged and expected to commit to developing the culture, ethos and practice of effective risk management in every activity which they undertake. The approach will focus on pragmatic, meaningful assessment and treatment of risks and will discourage the capturing of generic, intangible corporate risks.

3.0 Objectives of the Risk Management Approach

3.1 The six key objectives are to:

- Embed Risk Management into the ethos, culture, policies and practices of the Council.
- Ensure the Council successfully manages risks and opportunities at all levels – strategic, operational, programme, project and partnership.
- Manage risk in accordance with all statutory and best practice requirements.
- Ensure that Risk Management is a key and effective contributor to Corporate Governance and the Annual Governance Statement.
- Clearly identify roles and responsibilities, and ensure that all parties understand how they should contribute to effective risk management
- Ensure that Risk Management helps to secure effective arrangements to identify and achieve successful local and national priority outcomes.

4.0 ACHIEVEMENT OF OBJECTIVES

4.1 Embed Risk Management into the ethos, culture, policies and practices of the Council

(i) Risk Management will be an integral part of and included in the Council's processes, policies and documents, including, but not limited to:

- Constitution
- Local Area Agreement
- Sustainable Community Strategy
- Corporate Plan
- Medium Term Financial Strategy
- Service Planning
- Code of Corporate Governance

- Code of Practice on Procurement
- Project Management and Guidance
- Reports to support key decisions
- Performance Management
- Policy Planning
- Financial Management

(ii) The co-ordination of risk management will form part of a Compliance Team within Internal Audit. Full consultation and involvement of service managers is integral to the approach. Training and evaluation will be ensure continuous improvement.

4.2   Ensure the Council successfully manages risks and opportunities at all levels – strategic, operational, programme, project and partnership.

A Risk Management framework (See Appendix A) will be established and will include:

- Corporate Risk Management Group – responsible for the production of the Corporate Risk Register, and ongoing review, monitoring and reporting of these risks.

- Directorate Risk Management Teams – responsible for producing, reviewing and monitoring Directorate Risk Registers to ensure their responsibilities within the Corporate Risk Register are successfully managed.

- Where appropriate, Service Risk Registers to be produced and reviewed and monitored by the Service/Departmental Management Teams.

- Responsibility for Lead Officers in Partnerships to identify any risks for the Council and to ensure they are appropriately managed. (Guidance to be provided within the Code of Practice on Partnerships.)

- Responsibility for Project Boards and Project Managers to ensure that risk profiles are developed, maintained and managed, in accordance with Project Guidance.

- An effective reporting system to ensure that risks are being identified and effectively managed. This will include reports from the Directorate Risk Management Teams to the Corporate Risk Management Group and from the Corporate Risk Management Group to Cabinet, Governance and Constitution Committee and Corporate Management Team.

4.3   Manage risk in accordance with all statutory and best practice requirements

To achieve this, the Council will

- Include any national or best practice guidelines relating to risk management into the framework.
- Engage in relevant risk management forums and benchmarking exercises to identify further opportunities for improvement in our approach

4.4   Ensure that Risk Management is a key and effective contributor to Corporate Governance and the Annual Governance Statement.

To achieve this:

- Confirmation will be obtained form the Corporate Governance Review Group, Cabinet, Governance and Constitution Committee and the Audit Commission that the Council's Risk Management Framework is judged to be sufficiently robust, and that assurance statements properly reflect the risk environment and its management of these risks.

- Heads of Service will be required to make statements as to the effectiveness, or otherwise, of their systems for identifying, monitoring and managing corporate and operational risks. This will be confirmed by each Director/Chief Officer signing a Controls Assurance Statement.

- The Corporate Risk Register will be a key factor in internal audit planning.

4.5   Clearly identify roles and responsibilities, and ensure that all parties understand how they should contribute to effective risk management

(i)   The Finance Procedure Rules (as part of the constitution) clearly define responsibility for risk management and its implementation under Section C of the procedure rules.

(ii)   The Corporate Risk Management Team and the Directorate Risk Management Teams will ensure that all parties understand their roles and responsibilities in the management of risk within the Council, by:

- Defining and communicating the roles of all parties. (See Appendix B)
- Providing appropriate advice, guidance and training to all parties.
- Well planned and wide ranging communication strategies.

4.6 **Ensure that Risk Management helps to secure effective arrangements to identify and achieve successful local and national priority outcomes.**

To achieve this the Council will:

- Identify and manage the risks/barriers to achievement of its objectives and outcomes stated in the Corporate Plan, Local Area Agreement, Local Strategic Partnership and the Sustainable Communities Strategy.
- Ensure risk management is an integral part of service and project planning
- Work in collaboration with partners to ensure a joint successful approach to the management of risks.

5.0 Review and Continuous Improvement

5.1 This strategy will be reviewed on an annual basis and the effectiveness of the arrangements for managing risk will be considered by the Governance and Constitution Committee in conjunction with the internal audit section.