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.**
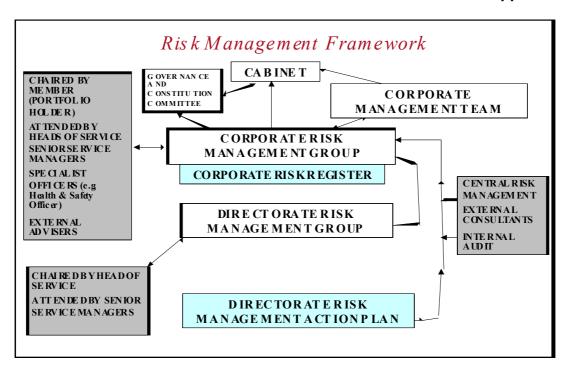
        To achieve this the Council will:

- 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.

Appendix A

Risk Management Framework

CHAIRED BY
MEMBER
(PORTFOLIO
HOLDER)

ATTENDED BY
HEADS OF SERVICE

SENIOR SERVICE
MANAGERS

SPECIALIST
OFFICERS (e.g
Health & Safety
Officer)

EXTERNAL
ADVISERS

GOVERNANCE
AND
CONSTITUTION
COMMITTEE

CABINET

CORPORATE
MANAGEMENT TEAM

CORPORATE RISK
MANAGEMENT GROUP

CORPORATE RISK REGISTER

DIRECTORATE RISK
MANAGEMENT GROUP

CENTRAL RISK
MANAGEMENT

EXTERNAL
CONSULTANTS

INTERNAL
AUDIT

CHAIRED BY HEAD OF
SERVICE

ATTENDED BY SENIOR
SERVICE MANAGERS

DIRECTORATE RISK
MANAGEMENT ACTION PLAN

Appendix B

CHESHIRE EAST BOROUGH COUNCIL

BUSINESS CONTINUITY POLICY AND STRATEGY

1.0   Purpose

1.1   The purpose of this strategy is to clearly outline the Council's commitment to business continuity planning and its links to risk management. In addition it defines and clarifies roles and responsibilities.

2.0   Background and Requirements

2.1   The Civil Contingencies Act (2004) (CCA) provides the framework for Civil Protection in the UK, and places a number of duties on Local Authorities regarding preparation for and response to emergencies. Cheshire East Borough Council, as a Category 1 (front-line responder) is required to develop and maintain business continuity plans, so that key functions can continue to be delivered in an emergency. This also involves consideration of the resilience of those organisations on whom the Council relies to maintain key services, including any third parties who provide services on its behalf.

2.2   As well as implementing Business Continuity Plans, the CCA also requires Local Authorities to promote and provide general business continuity management advice to commercial and voluntary organisations in the area. This duty aims to enable local businesses to better maintain critical elements of their service and recover more quickly should an incident arise, therefore lessening the economic and social impact on the local community.

2.3   Business continuity management (BCM) is a planned process aimed at managing the many and varied operational risks inherent in the day-day activities involved in delivering services, and, therefore, it is an essential element of risk management, helping to create a resilient organisation and one which is able to provide continuous service delivery and effective use of resources. Effective risk management can reduce the likelihood of an incident occurring, whilst business continuity planning can reduce the impact if it does occur. As well as increased resilience, there are many benefits to having to having a structured and consistent BCM process in place:

- Credibility – protecting and enhancing the reputation of Cheshire East Borough Council.
- Supporting corporate governance and the requirement to produce an Annual Governance Statement
- Reduced costs – protecting assets, working more efficiently, reducing recovery cost, assurance of third party providers of services (who may be required to demonstrate effective resilience as part of any tender for business), lower insurance premiums, where the Council can demonstrate proactive management of continuity risks.

3.0   Objective of the Strategy

3.1   The objective of this strategy is to set out the requirement for Cheshire East Council to take steps to ensure that, in the event of a service interruption, essential services will be maintained and normal services restored as soon as possible. To ensure that this happens, the Council must have in place robust business continuity and service recovery plans that are regularly reviewed and tested.   In addition, the Council will promote and provide business continuity advice to local businesses and voluntary organisations, in order to ensure, in conjunction with the Joint Cheshire Emergency Planning Service, that the Cheshire East region is well prepared for any unforeseen events.

4.0   Implementation and Responsibilities

4.1   Business continuity requires senior management commitment and support, and dedicated resource allocated within the Authority to ensure that plans are developed, maintained, reviewed, and, most importantly, tested, so that they are fit for purpose. It also needs to be built into the change management process to ensure the implications of any change are fully considered prior to implementation and that resilience is built into the project deliverables.

4.2   Because business continuity is an essential element of risk management, it will be managed as part of the Cheshire East Risk Management Strategy, and responsibility for its delivery will be incorporated into the roles outlined in the Risk Management Strategy.

Members and Member Champion – ensure an effective Business Continuity strategy is in place.

Cabinet – receive monitoring reports and annual report on the progress of Business Continuity within the Council.

Governance and Constitution Committee – provide independent assurance of the adequacy and effectiveness of the Council's resilience as part of the Risk Management framework.

Directors and Chief Officers – ensure the production, communication, review and testing of Business Continuity plans for their Directorate/Services and ensure all staff are fully aware of these plans.

Corporate Risk Management Group – monitor the progress and status of business continuity planning and the Council's level of resilience. Report quarterly to the Corporate Management Team, Cabinet and Governance and Constitution Committee.

Directorate Risk Management Groups – coordinate the Directorate's business continuity planning response and report quarterly on its progress and status to the Corporate Risk Management Group.

Internal Audit – **Risk Management (Compliance Team)**
Provide training, support, guidance and advice, as well relevant templates and documentation to aid the planning process.
Provide support in the coordination and implementation of testing.
Liaise with the Joint Cheshire Emergency Planning Team and the Cheshire Local Resilience Forum, to ensure that the Council is aware of and fully incorporated into the regional emergency and continuity planning processes.
Lead in the promotion of business continuity planning to local businesses and voluntary organisations.

Internal Audit
Provide an independent assessment of the robustness, or otherwise, of the Business Continuity Plans within Services.

Other members of staff
Ensure that they are fully aware of the Business Continuity Plans for their particular area of work, and take proactive steps to improve resilience wherever possible.

5.0   Developing Plans
5.1   **Understanding the operation –** Business impact analyses (BIA) need to take place to identify and agree critical processes or services and the potential damage or loss that may be caused to the Council and the community as a result of a disruption. A BIA must consider the minimum level of staffing, skills and resources required to enable essential services to continue operating at a minimum acceptable level. Following this, risk assessments must be undertaken to identify internal and external threats to the Council, the likelihood of these occurring, and therefore the potential impact.

5.2   **Strategies –** strategies must be developed to offset the identified risks, e.g. eliminate single points of failure, implement better controls, etc.

5.3   **Developing and implementing plans –** these must be documented and available for use within any type of emergency incident. They must also include 'stand-by' arrangements, including accommodation and specialist equipment, as well as IT systems and telecommunications. They need to tie in with plans already in place, such as the Cheshire East Council Major Emergency Plan and the Emergency Rest Centre Plan.

5.4   **Building and embedding a BCM culture –** there is a need to have an effective education and awareness programme in place to ensure that all staff are fully aware of the impact of an unforeseen event, and their roles and responsibilities in a recovery situation.

5.5   **Exercising, maintenance and audit –** there must be a regular testing programme in place within Directorates and Services, to ensure that the critical components of the plans are exercised.

6.0   Review
6.1   This strategy will be reviewed on an annual basis alongside the review of the risk management strategy.