

THE RISK MANAGEMENT STRATEGY

Taking managed risks appropriately, maximising opportunities and minimising threats and disruptions

Risk Management Strategy

Foreword

Swindon Borough Council's ambition is to deliver "A Shared Vision for Swindon". In order for us to deliver that success, we need to understand and respond to risks and opportunities to enable us to embrace innovation and change whilst remaining resilient to threats and disruptions. It is the policy of the Council to adopt a proactive approach to risk management and to be an organisation that takes managed risks appropriately for the future success of the community.

Effective risk management supports and underpins the achievement of our key promises, objectives and themes. The Council is committed to embedding risk management across all of our activities and business processes as part of decision-making, performance management, business planning, service delivery, projects and partnerships. Risk management needs to be a living process and everyone has a part to play.

Risk management encompasses culture, processes and structures and is not about being risk averse. We believe that risk needs to be understood and managed rather than avoided and that consideration of risk should support, not stifle, innovative decision-making. Our aim is to ensure that the Council makes effective use of a risk process that has a series of well-defined steps to support better decision making to ensure that opportunities are maximised and threats are minimised.

We embrace the management of risk and will empower our people to take managed risks appropriately to enable the provision of high quality services to the Swindon Community. We live in an uncertain world; effective risk management enables us to move forward with increased confidence in our ability to achieve the outcomes we seek – to be "The Best We Can Be".

Gavin Jones
Chief Executive

Cllr Roderick Bluh
Leader of the Council

Risk Management Strategy

Objectives

This Strategy is intended to reaffirm and improve effective risk management in Swindon and to ensure compliance with good practice.

The objectives of this Strategy are to:

- ❑ Embed a culture of risk management at all levels of the organisation that informs all operational and strategic decision making and planning
 - Raise awareness of the importance of effective risk management by all those connected with the delivery of Council services
 - An appropriate level of risk management and managed risk taking is consistently applied across the Council
 - Embed the management of risk and opportunity as an integral aspect to delivering better outcomes through partnerships and projects
- ❑ Provide a robust, good practice corporate framework and process for managing risk and supporting decision making
 - Establish a standard risk approach and language
 - Anticipate and respond to changing external and internal environment
- ❑ Support the effective delivery of change management and organisational change
 - Improve the likelihood of securing our ambitions and outcomes

Definitions

Risk

Risk is defined as any uncertainty that could affect achievement of objectives, including those that could harm (threat) and those that could help (opportunity).

Risk Management

Risk management is the culture, processes and structures that are directed towards effective management of potential opportunities and threats to an organisation achieving its objectives. Risk management is about being risk aware, not risk averse. By evaluating and managing risk and uncertainty effectively, we can ensure that better quality decisions are made, opportunities are maximised and less time is spent fire-fighting.

Risk Management is a key feature of public sector management and is integral to the Corporate Governance Framework. Good Corporate Governance helps reduce risk, stimulate performance, improve access to capital, enhance services, improve leadership and demonstrate transparency and social accountability.

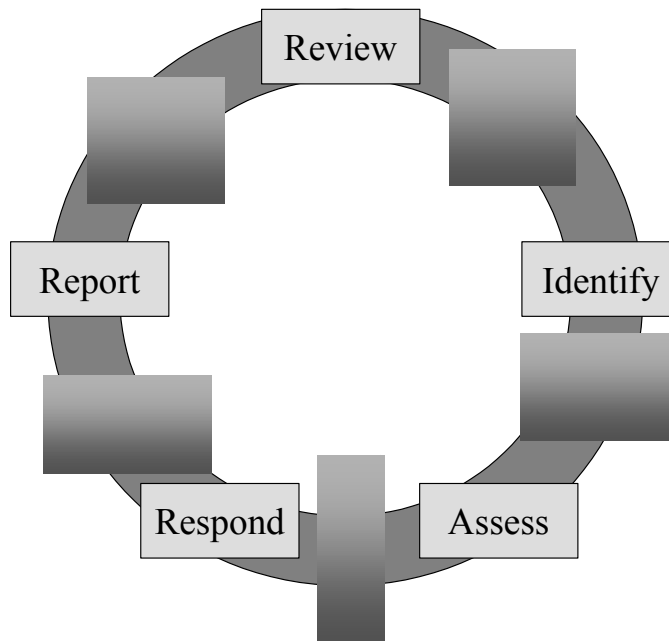
Good risk management allows an organisation to have increased confidence in achieving its desired outcomes, to effectively constrain threats to acceptable levels and to take informed decisions about exploiting opportunities. It also allows stakeholders to have increased confidence in the organisation's corporate governance and ability to deliver.

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Risk Management at Swindon Borough Council

Risk Management Process

Swindon Borough Council follows a 5-step best practice risk management process as outlined below.



BS 31100:2008 Risk management – Code of practice

The methodology by which risk is to be managed is available online and further guidance, training and assistance is available from the Corporate Risk Manager.

Ownership and accountability

All Members, officers, employees and partners must understand the nature of risk and accept responsibility for managing those risks associated with their area of activity. We all have a role to play in managing risk and delivering the Risk Management Strategy. Key roles and responsibilities are outlined later in this document.

Partnerships

Swindon Borough Council works with a wide range of partners in delivering its services. We enter into every partnership with an implicit desire to share risk and reward so it is important that those partners and partnerships are brought into the risk management framework from the outset. We must be clear on what the risks are, through individual and joint profiles, and on who is best placed to take ownership of them i.e. what risk we can transfer to our partners, what risk can be shared and what risk we retain. This risk allocation is done to appropriate levels of formality but must always be documented in some format. We are continually working with our partners on aligning risk management activity and approach.

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Projects

Risk management is an integral part of the Council's project management arrangements. All major projects hold robust risk information to inform decision-making and this is monitored regularly at Project Boards.

Performance Management

Swindon Borough Council recognises that the management of risk and opportunity is an integral part of the planning and performance management process at corporate, directorate and service levels. The Council's Performance Management Framework incorporates robust monitoring and management arrangements for risk at these levels and regular reporting to Cabinet and Corporate Board.

Fraud and Corruption

The Council has a published anti fraud and corruption strategy, whistle blowing policy and provides fraud awareness guidance and training. The risk of fraud and corruption is considered through the Council's corporate and operational risk management arrangements. There are robust procurement and contract monitoring procedures in place and work is ongoing on the management of information risk.

Financial Risks

Risk management is an integral part of the financial management framework of the Council. A risk based approach is taken to the annual Budget setting, the regular monitoring of financial plans and also to inform the Council on the level of one-off resources it needs to hold to mitigate against the financial risks it faces. There are robust processes in place to ensure the financial implications of policies and plans are understood at the point decisions are taken.

Delivering the Risk Management Strategy

This Strategy has been reviewed in light of the progress made within Swindon and the new national performance framework, to ensure the continued effectiveness of risk management arrangements. We will deliver this Strategy through a detailed action plan as outlined at the end of this document.

Links to other Strategies and Policies

Risk Management links in with a number of other areas within the Council. Key strategies and policies that should be read in conjunction with this one are:

- Business Continuity Management
- Civil Protection - Major Incident Guide
- Health and Safety policy, strategy codes of practice and guidance
- Data Quality Strategy
- Data Protection / Freedom of Information
- Corporate Security Policy

Equality & Diversity Statement

The Council aims to regularly review all documents, policies and procedures to ensure there are no negative equality impacts. If you feel, on reading this document, that there may be a negative equality impact within your service or if you need to access this document in a different format please contact Alex Bedford, Corporate Risk Manager on 01793 464354 or e-mail Abedford@swindon.gov.uk.

Risk Management Strategy

Key Roles & Responsibilities

Cabinet	<ul style="list-style-type: none">❑ Approve the Council's Risk Management Strategy❑ Oversee the effective management of risk and opportunity by officers of the Council❑ Consider risks and opportunities attached to policy and decision making❑ Receive and approve an annual Risk Management status report❑ Receive and endorse the Corporate Risk Register bi-annually❑ Appoint a Lead Member for Risk Management to champion and promote risk management among members
Audit Committee	<ul style="list-style-type: none">❑ Ensure that an adequate risk management framework and associated control environment is in place❑ Consider the effectiveness of the Council's risk management arrangements❑ Seek assurances that action is taken on identified risk related issues❑ Receive a quarterly Risk Management status report
Corporate Board	<ul style="list-style-type: none">❑ Recommend the Risk Management Strategy and policy to Cabinet and set the "tone" for the embedding of a positive risk and opportunity management culture❑ Hold and maintain a Corporate Risk Register to ensure the key risks are properly assessed and managed❑ Provide direction and receive assurance on the effectiveness of and compliance with risk management arrangements❑ Receive and approve a quarterly Risk Management status report
Group Directors	<ul style="list-style-type: none">❑ Hold and maintain a Group Risk Register❑ Ensure that significant risks are managed and communicated effectively through the Performance Framework❑ Take a corporate view on risk, considering the possible implications of Group, partnership and project risks on other areas❑ Promote risk awareness and ownership within their Group❑ Nominate and support a senior officer to represent their Group on the Corporate Risk Management Group (CRMG)❑ Identify and communicate risks and opportunities attached to reports sent up to Members for policy and decision making
Lead Director for Risk Management	<ul style="list-style-type: none">❑ Ensure that the Council manages risk effectively through the development of a robust Risk Management Strategy❑ Promote and oversee implementation of the Strategy❑ Chair the Corporate Risk Management Group❑ Report on risk management activity to Corporate Board and Cabinet

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Corporate Risk Management Group (CRMG)	<ul style="list-style-type: none"> ❑ Promote the Risk Management Strategy and supporting framework ❑ Support the embedding of Risk Management within the ethos of the Council's Culture as an integral part of management processes ❑ Review and challenge the Corporate Risk Register ❑ Co-ordinate risk reduction measures where there is benefit from taking a corporate view ❑ Provide quarterly reports to Corporate Board and Audit Committee and an annual report to Cabinet
Directors	<ul style="list-style-type: none"> ❑ Take responsibility for the management of risk within their areas to include significant partnerships and projects ❑ Hold and maintain a Directorate Risk Register and ensure that risks are managed and communicated effectively in each service area through the Performance Framework ❑ Identify and communicate risks and opportunities attached to reports sent up to Members for policy and decision making
Project Sponsors	<ul style="list-style-type: none"> ❑ Take responsibility for the overall business assurance of projects ensuring that they are driven through continuous risk assessment ❑ Oversee and validate the development of a robust assessment of project risks from the outset ❑ Monitor the progress of project risks, in particular reviewing the risk log continually, to ensure mitigating plans are robustly discussed and used as a basis for driving project progress
Corporate Risk Manager	<ul style="list-style-type: none"> ❑ Promote the consistent use of risk management and ownership of risk at all levels within the Council ❑ Build a risk aware culture and develop competence and maturity, including the provision of appropriate training and guidance ❑ Develop, support and review the risk management framework and processes and ensure the delivery of the Risk Management Delivery Plan ❑ Support and assist the Council and its partners in the effective management of key risks ❑ Support the Corporate Risk Management Group ❑ Report and communicate risk management issues to key stakeholders
Service / Project / Partnership Managers	<ul style="list-style-type: none"> ❑ Accountable for the management of risk within their areas of responsibility, including significant partnerships and projects ❑ Develop and maintain a Risk Register in line with the corporate approach ❑ Ensure that risk management is an integral part of governance arrangements

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Employees	<ul style="list-style-type: none">❑ Undertake their job within risk management guidelines and take responsibility for maximising opportunities and minimising risk within their own working environment❑ Report in a timely way to their service managers any perceived new or emerging risks, near misses or failures of existing control measures❑ Contribute to the continuous improvement of risk management
Audit	<ul style="list-style-type: none">❑ Provide a risk based Audit Plan to monitor the effectiveness of Internal Controls and provide a trigger and action plan for management intervention❑ Provide assurance on risk management processes and how well they are working❑ Coordinate activities and share information with the risk management functions

Key Roles & Responsibilities and expectations will be regularly reviewed and any updates communicated.

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June 2009