CAMBRIDGESHIRE COUNTY COUNCIL

RISK MANAGEMENT POLICY

1.   INTRODUCTION

We want Cambridgeshire to be a great place to call home, and we will achieve this vision by focussing on delivering the outcomes that make the biggest difference for our communities.

We are a large, complex organisation and we need to ensure the way we act, plan and deliver is carefully thought through both on an individual and a corporate basis. We take a long-term and strategic view of how the Council needs to transform over the next five years of our Business Plan, and beyond.

There are many factors which might prevent the Council achieving its plans, therefore we seek to use a risk management approach in all of our key business processes with the aim of identifying, assessing and managing any key risks we might face. This approach is a fundamental element of the Council's Code of Corporate Governance.

The Risk Management Policy is fully supported by the Council, the Chief Executive and the Strategic Management Team who are accountable for the effective management of risk within the Council. On a daily basis all officers of the Council have a responsibility to recognise and manage risk in accordance with this Policy.

The Accounts and Audit Regulations 2003 state:

- The relevant body shall be responsible for ensuring that the financial management of the body is adequate and effective and that the body has a sound system of internal control which facilitates the effective exercise of that body's functions and which includes arrangements for the management of risk.

(Additionally, the Civil Contingencies Act 2004 places a statutory duty on local authorities to establish business continuity management (BCM) arrangements to ensure that they can continue to deliver business critical services if business disruption occurs. The Emergency Planning Camweb site Emergency planning - CamWeb details the Council's approach to business continuity management which is a key aspect of effective risk management)

2. WHAT IS RISK?

The Council's definition of risk is:

"Factors, events or circumstances that may prevent or detract from the achievement of the Council's corporate and service plan priorities".

3. RISK MANAGEMENT OBJECTIVE

The Council will operate an effective system of risk management which will seek to ensure that risks which might prevent the Council achieving its plans are identified and managed on a timely basis in a proportionate manner.

4. RISK MANAGEMENT PRINCIPLES

- The risk management process should be consistent across the Council, clear and straightforward and result in timely information that helps informed decision making;

- Risk management should operate within a culture of transparency and openness where risk identification and risk escalation, as appropriate, are encouraged;

- Risk management arrangements should be dynamic, flexible and responsive to changes in the risk environment;

- The response to risk should be mindful of risk level and the relationship between the cost of risk reduction and the benefit accruing, i.e. the concept of proportionality;

- Risk management should be embedded in everyday business processes;

- Officers of the Council should be aware of and operate the Council's risk management approach where appropriate;

- Councillors should be aware of the Council's risk management approach and of the need for the decision making process to be informed by robust risk assessment, with members being involved in the identification of risk on an annual basis;

5. APPETITE FOR RISK

As an organisation with limited resources it is inappropriate for the Council to seek to mitigate all of the risk it faces. The Council therefore aims to manage risk in a manner which is proportionate to the risk faced based on the experience and expertise of its senior managers. However the Council has defined the maximum level of residual risk which it is prepared to accept as a maximum risk score of 15 as per the Scoring Matrix attached at Appendix A. The matrix itself is supported by descriptors, over 5 elements,

for the impact element of the risk (Appendix B). The impact score selected will be the highest score for any of the descriptor elements.

6.   BENEFITS OF RISK MANAGEMENT

- Risk management alerts councillors and officers to the key risks which might prevent the achievement of the Council's plans, in order that timely mitigation can be developed to either prevent the risks occurring or to manage them effectively if they do occur.

- Risk management at the point of decision making should ensure that councillors and officers are fully aware of any key risk issues associated with proposals being considered.

- Risk management leads to greater risk awareness and an improved and cost effective control environment, which should mean fewer incidents and other control failures and better service outcomes.

- Risk management provides assurance to councillors and officers on the adequacy of arrangements for the conduct of business. It demonstrates openness and accountability to various regulatory bodies and stakeholders more widely.

7   RISK MANAGEMENT APPROACH

The risk management approach adopted by the Council is based on identifying, assessing, managing and monitoring risks at all levels across the Council:
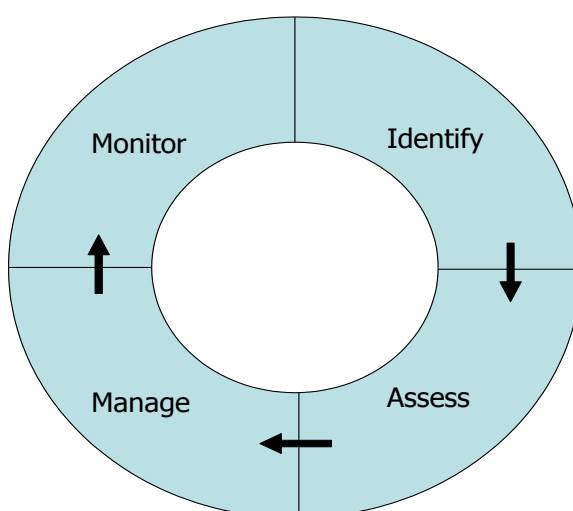
The detailed stages of the Council's risk management approach are recorded in the Risk Management Procedure document which was approved by the Strategic Management Team in November 2014, which provides managers with detailed guidance on the application of the risk management process.

The Procedure document can be located on Camweb at

Risk Management | sharepoint.lgss.local

Additionally individual business processes, such as decision making, project management will provide guidance on the management of risk within those processes.

8   RISK ESCALATION PROCESS

From time to time a risk within directorate risk registers may need to be escalated for inclusion into the corporate risk register. A risk may need to be escalated if:

- The risk remains red after all available mitigations have been implemented, and;
- The risk is deemed to be a significant risk to the organisation as a whole

To escalate a risk to the corporate risk register: first the relevant directorate management team must agree that the risk meets the escalation criteria above and recommend it goes forward to be included within the corporate risk register. The relevant risk will then be taken to the corporate risk group for challenge, should the group agree to the escalation the risk will be taken to SMT and Audit and Accounts Committee for final approval and then added to the corporate risk register.

A risk may be de-escalated from the corporate risk register to directorate risk registers if SMT and Audit and Accounts Committee deem the risk can be managed within directorates risk register. Directorate Management teams can challenge whether a risk should be deescalated to the directorate risk register but it is the responsibility of SMT and Audit and Accounts Committee to make the final decision regarding risks within the corporate risk register.

9   AWARENESS AND DEVELOPMENT

The Council recognises that the effectiveness of its risk management approach will be dependant upon the degree of knowledge of the approach and its application by officers and councillors.

The Council is committed to ensuring that all councillors, officers and partners where appropriate, have sufficient knowledge of the Council's risk management approach to fulfil their responsibilities for managing risk. This will be delivered through formal training programmes, risk workshops, briefings and internal communication channels.

10   CONCLUSION

The Council will face risks to the achievement of its plans. Compliance with the risk management approach detailed in this Policy should ensure that the key risks faced are recognised and effective measures are taken to manage them in accordance with the defined risk appetite.

RISK MANAGEMENT SCORING MATRIX

VERY HIGH	5	10	15	20	25
HIGH	4	8	12	16	20
MEDIUM	3	6	9	12	15
LOW	2	4	6	8	10
NEGLIGIBLE	1	2	3	4	5
IMPACT / **LIKELIHOOD**	**VERY RARE**	**UNLIKELY**	**POSSIBLE**	**LIKELY**	**VERY LIKELY**

Red: excess of Council's risk appetite
            action needed to redress, quarterly monitoring
Amber: likely to cause the Council some difficulties
            quarterly monitoring
Green: monitor as necessary

IMPACT DESCRIPTORS

IMPACT DESCRIPTORS   **Appendix B**

The following descriptors are designed to assist the scoring of the impact of a risk:

	Negligible (1)	Low (2)	Medium (3)	High (4)	Very High (5)
Legal and Regulatory	Minor civil litigation or regulatory criticism	Minor regulatory enforcement	Major civil litigation and/or local public enquiry	Major civil litigation setting precedent and/or national public enquiry	Section 151 or government intervention or criminal charges
Financial	<£0.5m	<£1m	<£5m	<£10m	>£10m
Service provision	Insignificant disruption to service delivery	Minor disruption to service delivery	Moderate direct effect on service delivery	Major disruption to service delivery	Critical long term disruption to service delivery
People and Safeguarding	No injuries	Low level of minor injuries	Significant level of minor injuries of employees and/or instances of mistreatment or abuse of individuals for whom the Council has a responsibility	Serious injury of an employee and/or serious mistreatment or abuse of an individual for whom the Council has a responsibility	Death of an employee or individual for whom the Council has a responsibility or serious mistreatment or abuse resulting in criminal charges
Reputation	No reputational impact	Minimal negative local media reporting	Significant negative front page reports/editorial comment in the local media	Sustained negative coverage in local media or negative reporting in the national media	Significant and sustained local opposition to the Council's policies and/or sustained negative media reporting in national media

Please note – these descriptors are a guide and there maybe exceptions depending on the type of risk.

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