Herefordshire Council

MEETING:	CABINET
DATE:	29 OCTOBER 2009
TITLE OF REPORT:	RISK MANAGEMENT AND ASSURANCE
PORTFOLIO AREA:	CORPORATE AND CUSTOMER SERVICES

CLASSIFICATION: Open

Wards Affected

County-wide

Purpose

To approve the revised joint Risk Management and Assurance Policy and Guidance documents.

Key Decision

This is not a Key Decision.

Recommendation(s)

THAT:

(a) the revised joint Risk Management and Assurance Policy be approved;

(b) the joint Risk Management Assurance Guidance be approved;

Key Points Summary

- If strategic priorities are to be met and if positive assurances are to be given in response to external drivers then a robust risk management process must be embedded within the authority.

Alternative Options

1. There are no Alternative Options.

Reasons for Recommendations

2. As stated within the current Risk Management Policy a review of the risk management documents should be undertaken at regular intervals to ensure that they are still fit for purpose.

3. The new Comprehensive Area Assessment (CAA) process calls for a more robust

---

Further information on the subject of this report is available from
Andrew Rewell Corporate Risk Manager on (01432) 260295

management of risk across the organisation. Within the Use of Resources assessment one of the three themes, 'Governing the Business' highlights the need to have clear and robust processes in place for managing risks, particularly those relating to partnerships and fraud and corruption.

Introduction and Background

4.   Since February 2007 the Council and NHS Herefordshire have had an integrated risk management team. A shared Risk Management Strategy, Policy and Toolkit, were approved by Cabinet in May 2008.

5.   In April 2009 a review of the existing tool kit was undertaken with a view to developing a single risk assessment process for both risk management and health and safety across the partnership. An internal audit of risk management practices within the Council was also w undertaken in 2009. The key recommendations highlighted the need to refocus on the responsibilities for risk management, risk management training, use of the corporate risk management process and to further align business plans with the risk management policy.

6.   The introduction of the revised quarterly performance reporting process has provided an opportunity to review the Council's corporate risks. This has resulted in a more focused look at risks that could have a strategic impact on the achievement of corporate objectives as identified within the corporate plan. The revised documents will enable us to develop this process further.

Key Considerations

7.   The need for a clear policy and procedure in order to embed the management of risk is essential if corporate priorities are to be met, and to provide positive assurance that risks are being identified and managed.

8.   The main changes to the policy reflect the need to develop a positive culture in which the management of risk is seen as a day to day activity and not considered as a separate and bureaucratic task.

9.   The revised policy promotes the positive aspects of managing risk so as to add value: achieving the balance between under-managing risks i.e. unaware and therefore no control, (which could damage performance and use limited resources unnecessarily), and over management i.e. an obsessive level of involvement in the fine details, which could become overwhelming and stifle innovation and creativity.

10.   The revised guidance document is intended to be used at all levels of the organisation and guides the user through the 5 steps of managing risks:

   1) Identify Hazards and Threat events

   2) Evaluate the level of risk based on adequacy of existing controls

   3) Determine additional controls required – this emphasises the need for a risk owner and describes in more detail than previously the 4 T's of risk control – Terminate, Tolerate, Transfer, Treat.

4) Implement control measures and an action plan.

5) Monitor controls, record and review.

11. A new section has been included that introduces the concept of applying the same assessment process to opportunity management and provides an opportunity scoring matrix. This section describes how, as risk management becomes embedded and managers becomes confident about managing risk, then in addition to the 4 T's of Risk Control there is a fifth T namely "Taking the opportunity".

Community Impact

12. In order for the Council to to deliver its top priorities, challenges will have to be overcome and opportunities maximised. The identification and management of strategic risks and opportunities identified through a corporate policy, along with a comprehensive training programme will enable Members and officers to make clear and safe decisions.

Financial Implications

13. None

Legal Implications

14. None

Risk Management

15. Unless the risks to the achievement of corporate priorities are identified and managed, the limited resources available cannot be channelled in the right direction, thus resulting in a decline of service provision, reputation and customer satisfaction.

Consultees

16. Internal consultation has been undertaken across the partner organisations

Appendices

Appendix A - HPS Risk Management and Assurance Policy

Appendix B - HPS Risk Management and Assurance Guidance

Background Papers

None identified.