

Management of Risk Pathway

Cabinet Member(s): Cllr Mandy Chilcott - Cabinet Member for Resources

Local Member(s) and Division: All

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1. Summary / Background

- 1.1.** The Management of Risk Pathway documents consist of a suite of documents i.e. Strategy, Policy and Process. The Council's current Management of Risk documents have been updated reflecting changes to the working practices of the Council.
- 1.2.** Risk Management is an integral part of good governance to which the Council is committed. Risk Management provides the framework and processes that enable the Council to manage uncertainty in a systematic way. As part of the Risk Management arrangements the Council reviews the Strategy, Policy and Process documents on an annual basis.

The Chief Executive is the owner of the risk management process with responsibility delegated to the Director of Finance/Section 151 officer. The Member Risk Champion is the Cabinet member for Resources. Cabinet members are required to agree annually the documentation is fit for purpose and approve adoption as a key management process.

2. Recommendations

- 2.1. Cabinet is asked to endorse the Management of Risk Pathway documents and recommend approval and adoption as part of the Council's Governance arrangements.**

3. Reasons for recommendations

- 3.1** The Accounts and Audit Regulations 2015 require the Council to have in place effective arrangements for the management of risk. These arrangements are reviewed each year and reported as part of the Annual Governance Statement (AGS).

4. Other options considered

- 4.1.** None

5. Links to County Vision, Business Plan and Medium-Term Financial Strategy

- 5.1.** Good risk management underpins everything we do, particularly delivery of the

6. Consultations and co-production

- 6.1. The Management of Risk Pathway documents have been endorsed by the Strategic Risk Management Group (SRMG), Governance Board and SLT

7. Financial and Risk Implications

- 7.1. There are no financial implications around this non-key decision
- 7.2. The risk associated with this non-key decision would be if final approval and adoption of the Pathway documents was not agreed. Although not a statutory function on its own, Risk Management is integral to many of the statutory policies across the services of the council. There are financial implications to not having an up to date risk management strategy and policy in place.

Likelihood	2	Impact	4	Risk Score	8
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8. Legal and HR Implications

- 8.1. There are no legal implications of the recommendations.
- 8.2. There are no HR implications.

9. Other Implications

9.1. Equalities Implications

There are no impacts associated with this decision.

9.2. Community Safety Implications

There are no Community Safety Implications.

9.3. Sustainability Implications

There are no Sustainability implications.

9.4. Health and Safety Implications

There are no Health and Safety implications.

9.5. Health and Wellbeing Implications

There are no Health and Wellbeing implications.

9.6. Social Value

N/A

10. Scrutiny comments / recommendations:

10.1. The proposed decision has not been considered by a Scrutiny Committee.

11. Background

- 11.1.** The Risk Management Pathway documentation has been created to support the Council in the effective management of risk. These documents include:
1. Management of Risk Strategy Pathway
 2. Management of Risk Policy Pathway
 3. Management of Risk Process Pathway

Somerset County Council seek to provide assurance to all our stakeholders that the identification and management of risk plays a key role in the delivery of our strategy and related objectives.

The Council will involve, empower and give ownership to all staff in the identification and management of risk. Management of risk activity will be regularly supported through discussion and appropriate action by senior management. Through review and confirmation of the significant risks, evaluating their mitigation strategies and establishing supporting actions to be taken to reduce the risk to an acceptable level.

The management of risk is an integral part of both strategic and operational planning. The risk team are available to support officers and senior managers with guidance and expertise.

- 11.2.** The Council's Risk Management Strategy has been up-dated to reflect the following changes that the Pathway documents have compared to previous policy:

Corporate Direction:

- Addition: SLT are required to create a shared understanding of the risk appetite expressed as opportunity and risk, across the Council's functions in delivering its priorities and outcomes. This is to support the Council in effecting change and embracing new opportunities whilst protecting the Council with effective risk analysis. The Risk team will be responsible for supporting SLT, communicating with them to offer expertise and guidance as required.
- Addition: SLT to document and prioritize an overall assessment of the range of opportunities and identify the level of risk which is judged to be tolerable, affordable and justifiable to the Council.

Infrastructure:

- Update: The Director, Economic and Community Infrastructure Commissioning is the chair of the Strategic Risk Management Group (SRMG). The Strategic Risk Management Group is senior managers who meet to review the risks faced by the Council, to review the risk register

and to escalate issues or suggestions for change to SLT.

Resources:

- Update: The Director, Economic and Community Infrastructure Commissioning is the chair of the Strategic Risk Management Group (SRMG).
- Addition: Individual Directors to identify Risk Champions from their business areas (Senior admin/business support officers) who will be tasked with assisting managers with the management and review of risks. The Risk manager will be responsible for communicating with these individuals and there is a proposal to introduce meetings for risk champions to discuss risk as a group using the guidance and / or with the Risk team.
- Update: SLT agree that greater collaboration between Strategic Risk Management, Civil and Emergency Planning, performance management and the financial process is required.

11.3. Changes to risk Policy

The risk policy has been amended to reflect recommendations in the SWAP Audit report published in July 2019; alongside other routine up-dates as set out below:

- SWAP recommended a revision to the explanation of the key risk terms: Avoid, Reduce, Transfer, Share, Accept, and these have been explained in the risk Policy.
- JCAD is the Councils risk management system and this has been amended such that printed reports now include a retention date on printed risk registers.
- The Policy document includes the 'Three Lines of Defence' model which is the concept for helping to identify and understand the different contributions various sources of assurance can provide. This has been amended to move the Strategic Risk Management into the "second Line of defence" on the diagram – which emphasises the role that all members of staff within the Council have for risk management.
- The risk escalation section has been updated with tables that explain the risk escalation process. The aim is to support staff so that they can recognise where they may need support and where they will need senior leadership sign off.
- In terms of risk reporting timescales, the Policy and process of the recording and management of 'Low' (green) risks has been up-dated so that green risks do not need to be entered onto JCAD Core unless the service feels it is necessary. However, they must still be recorded by the service but this can be done in the services Commissioning/Service Plan template.

11.4. Changes to Risk Process

The Process Pathway is a refresh of the previous process document.

Additions: The document has had diagrams, screen shots and tables added to

it to enhance understanding.

Risk Treatment.

New: Issue Management is not covered in the suite of Pathway documents. If a risk does indeed materialise then immediate management action needs to be taken to resolve any escalation in additional risk or undesirable impact on the Council.

Where appropriate, contingency, containment, crisis, incident and continuity management arrangements should be developed and communicated to support resilience and recovery if risks crystallise. Contact the Civil Contingencies Unit for advice and assistance with Business Continuity Planning.

12. Background Papers

12.1. None

Report Sign-Off

		Signed-off
Legal Implications	Honor Clarke	29/10/19
Governance	Scott Woodridge	29/10/19
Corporate Finance	Sheila Collins	31/10/19
Human Resources	Chris Squire	30/10/19
Property	Paula Hewitt / Claire Lovett	24/10/19
Procurement / ICT	Simon Clifford	30/10/19
Senior Manager	Sheila Collins	31/10/19
Commissioning Development	Ryszard Rusinek	29/10/19
Local Member	Cllr David Hall	09/12/19
Cabinet Member	Cllr Mandy Chilcott - Cabinet Member for Resources	31/10/19
Opposition Spokesperson	Cllr Jane Lock	
Scrutiny Chair	Cllr Anna Groskop - Place Scrutiny	