



Risk Management Strategy

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1. Definition of Risk

- 1.1.1 South Cambridgeshire District Council considers risk to be the possibility that an unwanted or uncertain action or event
- will cause injury, loss, damage,
 - will prevent the Council from identifying and taking advantage of opportunities or
 - will adversely impact the ability of the Council to deliver its services, or achieve its objectives and priorities.

2. Governance

- 2.1 The governance framework is the system which helps South Cambridgeshire District Council to ensure that it achieves the right outcomes for the residents of South Cambridgeshire in an open and honest way.
- 2.2 The Council’s primary role is to fulfil its statutory obligations. The Council also has a Long Term Vision that South Cambridgeshire will continue to be the best place to live, work and study in the country. Supporting the Vision is a Corporate Plan with strategic objectives and associated actions.
- 2.3 The Council has a responsibility to consider risks involved in providing or enabling service delivery, both in fulfilment of its statutory obligations and in achieving its strategic objectives



- 2.4 EMT will review the report on Risk Management Strategy and Process annually, or more frequently if required, and make any recommendations regarding them to the Audit and Corporate Governance Committee. The Audit and Corporate Governance Committee will receive a report on the Risk Management Strategy and Process and approve the Strategy annually, or more frequently if required.

3. Risk Management – purpose and objectives

- 3.1 The objective of the Risk Management Process is to identify, evaluate and control risks. Risk Management is a key element of the Council's Governance framework.
- 3.2 It will not always be feasible completely to eliminate risk. Indeed, calculated risk-taking may be required in certain circumstances to achieve innovative or creative solutions.
- 3.3 Risk appetite - the amount and type of risk the Council is willing to take in order to meet its strategic objectives. The Council sets baseline level of risk it is prepared to accept before taking an action at financial loss of £250,000, as well as the likelihood and impact of threats having a current (net) score of 4 in accordance with the Council's risk scoring matrix.
- 3.4 Risk tolerance - the degree of variability in investment returns that the Council is willing to withstand in fulfilling its investment strategy. The Council sets baseline level of risk it is prepared to accept before taking an action at financial loss of £250,000 on the estimated yield, as well as the likelihood and impact of threats having a current (net) score of 12 in accordance with the Council's risk scoring matrix.
- 3.5 The Council's decision-making should be risk-aware but not risk-averse, as part of which risk appetite will be applied on a case by case basis, after evaluating the balance of risk and benefit presented.
- 3.6 The system of internal control is a key part of the governance framework and is designed to manage risk to a reasonable level. Internal Audit regularly reviews the system of internal control, providing independent assurance on the adequacy and effectiveness of the controls in place to manage risks. Actions are also agreed with management to improve controls.
- 3.7 Risk management also enables the Council to take up opportunities in a controlled manner, where the risks exist, but are recorded, mitigated and monitored.



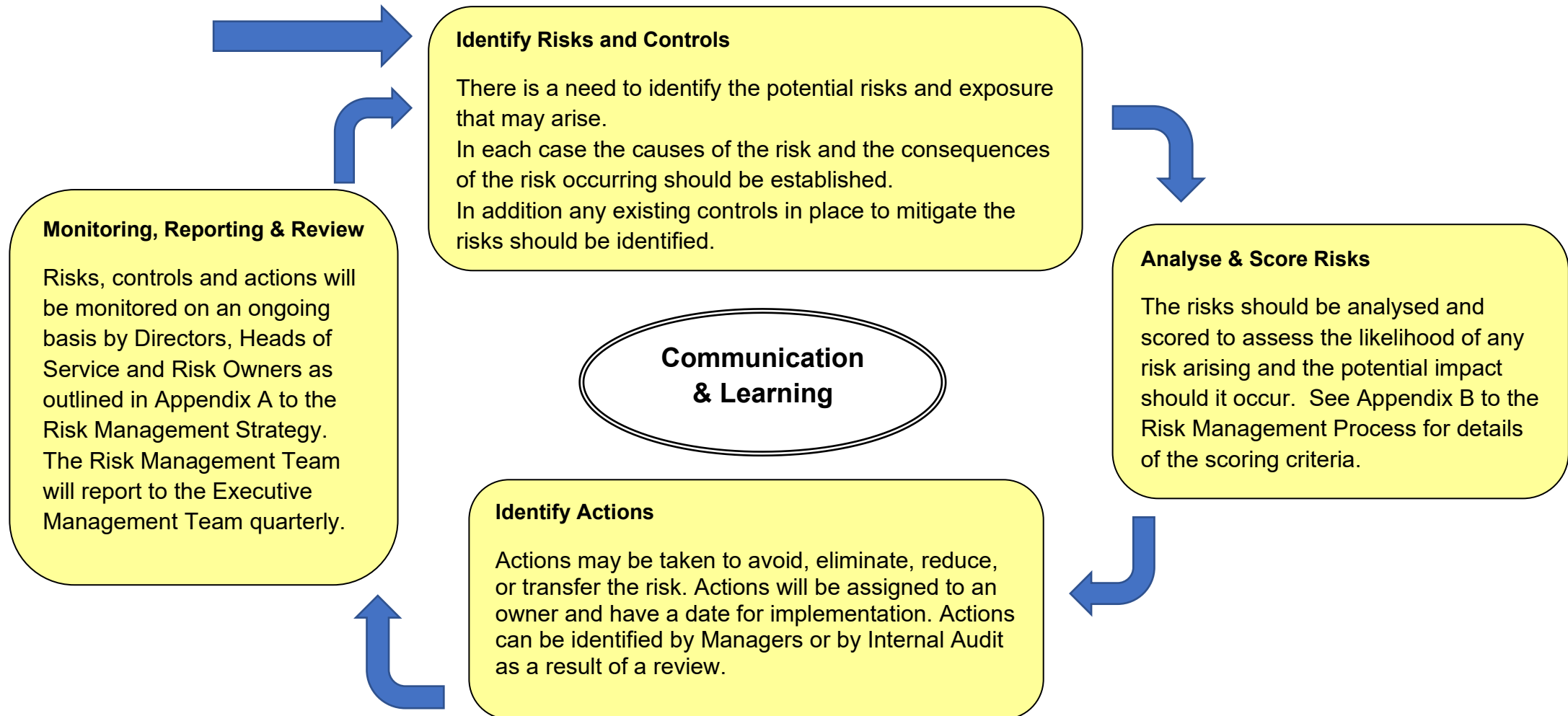
- 3.8 Roles and responsibilities within the Council for embedding and monitoring Risk Management are outlined in Appendix A to this document.
- 3.9 The Benefits of Good Risk Management in assisting the Council to achieve objectives and deliver services are as follows:
- Support Governance Framework
 - Greater control of insurance costs
 - Helps to inform the decision making process
 - Better management of change programmes
 - Identifies and explores opportunities to enable innovation
 - Supports value for money
 - Supports the Performance Management Framework
 - Minimises the impact of failure
 - Maintains service provision through adversity
 - Manages partnerships, suppliers, contractors and ongoing services
 - Helps to comply with legal and regulatory requirements
 - Manage external changes in culture, political environment, etc

4. Objectives of the Risk Management Strategy

- 4.1 The objectives of the strategy are to:
- (a) Integrate Risk Management into the culture of the Council, including a process to identify and report upon existing and emerging risks to the Council.
 - (b) Manage risks in accordance with best practice, so that they are eliminated or controlled to an acceptable level.
 - (c) Raise awareness of the need for managers responsible for the Council's delivery of services to undertake Risk Management.

5. Approach to Risk Management

5.1 The Council employs a simple four step process to manage its risks:





5.2 These steps, and how they are achieved, are outlined in greater detail in the Risk Management Process document and Roles and Responsibilities in Risk Management are outlined in Appendix A.

5.3 In accordance with best practice, Risk Management at the Council incorporates the identification and management of strategic risks, service area risks, project, programme and shared service risks. The process is thus embedded throughout the Council.

5.4 This Risk Strategy document aims to ensure that risk is appropriately managed in accordance with Statutory Instrument 2015 No. 234 for Local Government, England & Wales: Accounts and Audit Regulations 2015.

Appendix A

Roles and Responsibilities

It is vital that everybody understands the role that they play in effective risk management, with every employee and Member of SCDC being responsible for ensuring effective risk management. The roles and responsibilities in the Risk Management Process are detailed below:

Group or Individual	Roles and Responsibilities
Audit and Corporate Governance Committee	Members of the Committee have the role of overseeing the effective management of risk by officers. In effect this means that they will approve the Strategy put forward by officers and review its application.
Lead members for services	Lead members will ensure that risks are considered as part of the Service Planning and review risks regularly with the relevant Director.
Cabinet	Cabinet will review and approve the Strategic Risk Register quarterly.



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<p>Executive Director (Corporate Services)</p>	<p>The Executive Director (Corporate Services) is the senior manager responsible for Risk Management and will ensure that the Council's Risk Management Strategy and Process are reviewed at least annually and that the Council's Strategic Risk register is reviewed quarterly.</p>
<p>Executive Management Team</p>	<p>Executive Management Team will review the Risk Management Strategy and Process. They will carry out quarterly reviews of the key risks facing the Council and progress with the implementation of overdue and outstanding actions.</p>
<p>Company Directors of Companies controlled by the Council</p>	<p>Company Directors of the Companies controlled by the Council are part of the Council's Risk Management strategy and process. Company Directors are responsible for managing the risks within their Company and ensuring that risk activity and targets for implementing actions are achieved and that the risk register is updated on a timely basis on the Risk Management Software.</p>
<p>Corporate Management Team / Heads of Service</p>	<p>Corporate Management Team / Heads of Service will support the Risk Management strategy and process. Heads of Service are responsible for managing the risks within their service and associated projects and ensuring that risk activity and targets for implementing actions are achieved and that the risk register is updated on a timely basis on the Risk Management Software.</p> <p>Corporate Management team will review on a quarterly basis Service Risk Register reports and Risk Registers relating to the risks presented to the Council.</p>



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<p>Project Managers</p>	<p>Identify risks likely to impact upon the successful delivery of project objectives as part of project initiation and business case development, analysing each for its likelihood and impact and identifying appropriate mitigations. Draft and maintain project risk register, identifying interdependencies with strategic and service risks as required.</p>
<p>Risk Management Team</p>	<p>The Risk Management team (PA (GF&P) and Internal Audit) is responsible for the implementation of the integrated strategy and process on behalf of the Council and its Executive Management Team. This team is essentially fulfilling a controlling and facilitation role – to ensure the processes are implemented and to offer guidance and advice.</p> <p>The Risk Management Team provides advice, guidance, support and challenge on all aspects of Risk Management including training on the use of the Risk Management Software (4Risk).</p>
<p>Internal Audit</p>	<p>Internal Audit provides independent assurance on the effectiveness of controls within the Council to mitigate risks.</p> <p>Internal Audit supports the risk management process. It utilises the risk register for monitoring the progress of management agreed actions resulting from audit reports.</p> <p>As part of the production and presentation of the annual Head of Internal Audit Opinion to the Audit and Corporate Governance committee, Internal Audit comments on the appropriateness of the risk management process within the Council; as well as identifying areas of no or limited assurance and the associated actions required.</p>



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Partners (including Shared Services, Combined Authority and Companies)

SCDC works with a wide range of partners in delivering its services. It is important that those partners are brought into the risk management framework. At times it will be appropriate for partnerships / shared services to be undertaken. However, it is essential that accountabilities are adequately determined and that SCDC does not overlook any risks that may fall on it arising from its part in a joint venture. Even where there is transfer of operational risks, there will undoubtedly be some residual risks falling on the authority. It is **not** possible to transfer responsibility for the risk management process.